GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

UNSTARRED QUESTION NO:5934
ANSWERED ON:26.04.2001
AUSTERITY DRIVE OF THE GOVERNMENT
JASWANT SINGH YADAV;SURESH RAMRAO JADHAV (PATIL)

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether Gas Authority of India Limited and other PSUs under his Ministry have followed the instruction of the Government to cut expenditure under austerity drive of the Government;

(b) if so, the details thereof and the results achieved during 2000-01; and

(c) the steps being taken by the Government to boost the profitability of the PSUs?

Answer

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI SANTOSH KUMAR GANGWAR)

(a) to (c) Yes, Sir. Oil sector PSUs have followed the austerity measures issued by the Govt. from time to time and endeavoured to maximise savings. Majority of cost pertains to raw material cost (price of crude oil and natural gas) and elements such as duty and taxes, depreciation, financing cost, etc, over which they have very little control. The controllable costs constitute only about 4 to 5 per cent of total cost.

The adoption of the various austerity measures have resulted in their taking up measures for reduction in non-plan expenditure, generation of resources for modernisation and upgradation of technology, energy conservation, reduction in input cost, improvement in production and productivity etc.

Govt. have taken number of measures to improve the profitability of PSUs.These, inter alia, include adoption of various cost cutting measures, reducing cost of borrowings, repair and maintenance, etc.